

**Community Support Programs, Inc.
Shreveport, Louisiana**

Financial Statements

As of and for the Years Ended June 30, 2009 and 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

2/17/10

Community Support Programs, Inc.

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Independent Auditors' Report

To the Board of Directors
Community Support Programs, Inc.

We have audited the accompanying statements of financial position of Community Support Programs, Inc. (a nonprofit organization) as of June 30, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Community Support Programs, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

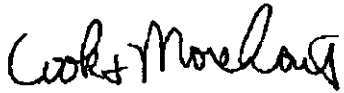
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Support Programs, Inc. at June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2010, on our consideration of Community Support Programs, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Community Support Programs, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying information on pages 13–14 is presented for additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Cook & Morehart", written in a cursive style.

Cook & Morehart
Certified Public Accountants
January 14, 2010

Community Support Programs, Inc.
Statements of Financial Position
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Current assets:		
Cash	\$ 190,344	\$ 204,279
Grants receivable	408,580	206,418
Total current assets	<u>598,924</u>	<u>410,697</u>
Property and equipment:		
Property and equipment	2,124,571	926,705
Accumulated depreciation	(451,670)	(404,596)
Net property and equipment	<u>1,672,901</u>	<u>522,109</u>
Total Assets	<u><u>\$ 2,271,825</u></u>	<u><u>\$ 932,806</u></u>
Liabilities and Net Assets		
Current liabilities:		
Line of credit	\$ 194,956	\$ 195,000
Accounts payable	271,384	28,202
Accrued expenses	24,799	42,184
Current portion of long-term debt		7,976
Refundable advance	299,223	139,034
Total current liabilities	<u>790,362</u>	<u>412,396</u>
Total liabilities	<u>790,362</u>	<u>412,396</u>
Net assets:		
Unrestricted:		
Operating	(213,108)	(268,868)
Designated	267,169	267,169
Fixed assets	<u>1,427,402</u>	<u>522,109</u>
Total net assets	<u>1,481,463</u>	<u>520,410</u>
Total Liabilities and Net Assets	<u><u>\$ 2,271,825</u></u>	<u><u>\$ 932,806</u></u>

The accompanying notes are an integral part of the financial statements.

Community Support Programs, Inc.
Statements of Activities
For the Years Ended June 30, 2009 and 2008

	Unrestricted	
	2009	2008
Revenues and Other Support:		
Contractual revenue - grants	\$ 2,461,863	\$ 1,618,806
Client fees	18,612	16,188
Donations	7,429	9,767
Development fees		31,650
Management fees	41,558	29,874
Miscellaneous revenues	11,902	11,708
Total revenues and other support	2,541,364	1,717,993
Expenses:		
Program services	1,477,477	1,671,915
General administration	102,834	109,674
Total expenses	1,580,311	1,781,589
Changes in net assets	961,053	(63,596)
Net assets, beginning of year, restated	520,410	584,006
Net assets, end of year	\$ 1,481,463	\$ 520,410

The accompanying notes are an integral part of the financial statements.

Community Support Programs, Inc.
Statements of Functional Expenses
For the Years Ended June 30, 2009 and 2008

Expenses:	2009		
	Program	General	Total
Salaries and wages	\$ 674,646	\$ 29,398	\$ 704,044
Payroll taxes and benefits	101,088	7,801	108,887
Travel	30,532	222	30,754
Operating services	171,756	4,788	176,524
Supplies	48,359	5,457	53,816
Professional fees	102,086	13,968	116,054
Housing assistance payments	224,393		224,393
Equipment	8,129	189	8,318
Utilities	42,506	1,184	43,690
Interest		9,884	9,884
Depreciation	40,823	6,250	47,073
Miscellaneous	33,161	23,713	56,874
Total expenses	<u>\$ 1,477,477</u>	<u>\$ 102,834</u>	<u>\$ 1,580,311</u>

Expenses:	2008		
	Program	General	Total
Salaries and wages	\$ 862,177	\$ 29,981	\$ 892,158
Payroll taxes and benefits	128,390	6,004	134,394
Travel	49,027	441	49,468
Operating services	163,536	12,693	176,229
Supplies	57,743	2,355	60,098
Professional fees	113,990	2,170	116,160
Housing assistance payments	183,826		183,826
Equipment	9,079	42	9,121
Utilities	42,098	2,583	44,681
Interest		13,158	13,158
Depreciation	34,324	6,241	40,565
Miscellaneous	27,725	34,008	61,731
Total expenses	<u>\$ 1,671,915</u>	<u>\$ 109,674</u>	<u>\$ 1,781,589</u>

The accompanying notes are an integral part of the financial statements.

Community Support Programs, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2009 and 2008

Operating Activities	<u>2009</u>	<u>2008</u>
Change in net assets	\$ 961,053	\$ (63,596)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	47,073	40,565
Loss on disposal		459
(Increase) decrease in operating assets:		
Grants receivable	(202,162)	(50,291)
Other assets		7,477
Increase (decrease) in operating liabilities:		
Accounts payable	243,182	18,555
Accrued liabilities	(17,385)	272
Refundable advance	160,189	(39,167)
Net cash provided by (used in) operating activities	<u>1,191,950</u>	<u>(85,726)</u>
 Investing Activities		
Payments for property and equipment	<u>(1,197,865)</u>	<u>(19,944)</u>
Net cash used in investing activities	<u>(1,197,865)</u>	<u>(19,944)</u>
 Financing Activities		
Proceeds from line of credit		240,720
Payments on line of credit	(44)	(170,025)
Payments of long-term debt	<u>(7,976)</u>	<u>(14,801)</u>
Net cash provided by (used in) financing activities	<u>(8,020)</u>	<u>55,894</u>
 Net increase (decrease) in cash	(13,935)	(49,776)
 Cash as of beginning of year	<u>204,279</u>	<u>254,055</u>
 Cash as of end of year	<u>\$ 190,344</u>	<u>\$ 204,279</u>

Supplemental Disclosure:

Operating activities reflect interest paid in 2009 and 2008 of \$9,884 and \$14,217, respectively.

The accompanying notes are an integral part of the financial statements.

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2009 and 2008

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Community Support Programs, Inc., (CSP) is a nonprofit corporation under the laws of the State of Louisiana. CSP exists to serve the client/family and to enhance each person's opportunity to live successfully in the community. Through the provision of advocacy, direct and indirect services, housing, and coordination with other social service providers, CSP, Inc. offers unique and innovative programs. The following programs are administered by CSP with their approximate percentages of total revenues:

Portals (9%) — Provides coordinated, site or home based Respite Care focused on alleviation of stress or crisis in the foster or adoptive home that endangers the permanence of the family for the child. Funding is provided by federal funds passed through the State of Louisiana, Department of Social Services, Office of Community Services.

Project Reach (12%) — Provides a resident facility with a capacity of nine beds for homeless dually diagnosed (mentally ill/chemical abusers) adults. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

Case Management (4%) — Provides case management and crisis services to clients of the Office of Mental Health. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, Office of Mental Health.

Emergency Shelter Grants (1%) — Account for certain expenditures designed to improve the quality of emergency shelters for the homeless. This program helps maintain the agency's crisis shelter and transitional housing. This program is funded by federal funds from the U.S. Department of Housing and Urban Development passed through the City of Shreveport.

Housing Development (3%) — Provides funding to develop housing for the homeless mentally ill. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development passed through the City of Shreveport and Louisiana Housing Finance Agency.

FEMA (1%) — Provides funding to purchase food and shelter for people in emergency situations. Funding is provided by federal funds from the U.S. Department of Homeland Security.

Section 8 Housing (9%) — Provides Section 8 housing to eligible disabled clients in need by allowing clients to locate their own housing units and by supplementing their rent or utilities at the unit. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

Hearthstone (1%) — Provides assistance to low-income families as well as the city's faltering neighborhoods with the building of new energy efficient housing. Housing costs are leveraged to lower the cost for first-time homebuyers.

Crossroads II (45%) — Provides funding to develop housing for the homeless mentally ill. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development, direct funding, as well as funds passed through the City of Shreveport and Louisiana Housing Finance Agency.

Bridges (10%) — Provides a safe, comfortable residence for persons diagnosed with severe mental illness who cannot or will not participate in available housing and social service programs. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2009 and 2008
(Continued)

Transportation (4%) – To increase access to mental health services and other needed social services for consumer's living in the catchment area of Region VII. The intent is to provide both direct transportation and funds for public transportation when there are no other means available. Funding is provided by federal funds passed through the State of Louisiana, Department of Health and Hospitals, Office of Mental Health.

B. Basis of Accounting

The financial statements of CSP have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Tax Status

CSP is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to income taxes. However, income from certain activities not directly related to CSP's tax-exempt purpose is subject to taxation as unrelated business income. CSP had no such income for this audit period.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

CSP's cash, as stated for cash flow purposes, consists of interest bearing and non-interest bearing bank accounts. CSP has no other assets that are considered cash equivalents.

G. Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The State of Louisiana and the federal government have a reversionary interest in property purchased with state and federal funds. Its disposition as well as the ownership of any proceeds there from is subject to state and federal regulations.

H. Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2009 and 2008
(Continued)

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

I. Compensated Absences

Employees may accrue annual leave up to 15 days. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to a maximum of 15 days. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment.

J. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

K. Reclassifications

Certain amounts for the year ended June 30, 2008, have been reclassified for comparative purposes to conform to the presentation used in the June 30, 2009, financial statements. The reclassifications have no effect on net assets for the year ended June 30, 2008.

(2) Restatement of Net Assets

Contractual revenues and grants receivable in 2008 has been increased by \$26,841 to correct an error related to recording a grant receivable. The 2008 financial statements have been restated to reflect an increase in net assets and grant receivable. This error resulted from CSP not recording a receivable in 2008, due to uncertainty of collection.

Net assets at July 1, 2007, has been increased by \$47,688 to correct an error related to recording construction in progress. The 2008 financial statements have been restated to reflect an increase in net assets and in property and equipment. This error resulted from prior expenses not being classified as capital assets.

(3) Concentrations of Credit Risk

Financial instruments that potentially subject CSP to concentrations of credit risk consist principally of temporary cash investments and grants receivable. Concentrations of credit risk with respect to grants receivable are limited due to these amounts being due from governmental agencies under contractual terms. CSP maintains cash balances at several financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000 at each institution. At June 30, 2009, total cash balances held at financial institutions was \$247,113. All of the balances held at financial institutions is secured by FDIC. At June 30, 2008, total cash balances held at financial institutions was \$248,064. Of this amount, \$161,537 was insured by FDIC and the remaining \$86,527 was unsecured.

(4) Grants Receivable

Various funding sources provide reimbursement of allowable costs and payment on units of service in connection with providing services under contracts or agreements. This balance represents amounts due from funding sources at June 30, 2009 and 2008, but received after that date.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2009 and 2008
(Continued)

(5) Property and Equipment

Property and equipment consisted of the following at June 30, 2009:

	Estimated Depreciable Life	Purchased With State Or Federal Funds	Purchased With Operating Funds	Total
Land	n/a	\$ 53,774	\$ 22,046	\$ 75,820
Buildings and improvements	20-30 years	1,852,259	27,234	1,879,493
Vehicles	5 years	35,072	8,487	43,559
Furniture and equipment	5-7 years	100,740	24,959	125,699
Accumulated depreciation		(409,828)	(41,842)	(451,670)
Net investment in property and equipment		<u>\$ 1,632,017</u>	<u>\$ 40,884</u>	<u>\$1,672,901</u>

Depreciation expense for the year ended June 30, 2009 was \$47,073.

Property and equipment consisted of the following at June 30, 2008:

	Estimated Depreciable Life	Purchased With State Or Federal Funds	Purchased With Operating Funds	Total
Land	n/a	\$ 53,774	\$ 22,046	\$ 75,820
Construction in progress	n/a	47,688	-	47,688
Buildings and improvements	20-30 years	606,705	27,234	633,939
Vehicles	5 years	35,072	8,487	43,559
Furniture and equipment	5-7 years	100,740	24,959	125,699
Accumulated depreciation		(365,381)	(39,215)	(404,596)
Net investment in property and equipment		<u>\$ 478,599</u>	<u>\$ 43,510</u>	<u>\$ 522,109</u>

Depreciation expense for the year ended June 30, 2008 was \$40,565.

(6) Line of Credit

The agency has a line of credit at a local bank, with an adjustable interest rate of .5% per annum less than the prime lending rate of Chase Bank. The loan is secured by any and all of CSP's present and future accounts receivable, present and future inventory, related equipment, other personal property including present and future general intangibles and agency real estate. The line of credit has a limit of \$200,000, with an outstanding balance at June 30, 2009 and 2008 of \$194,956 and \$195,000, respectively. Interest expense incurred on the line of credit for the years ended June 30, 2009 and 2008 was \$9,569 and \$12,859, respectively.

(7) Refundable Advance

CSP records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2009 and 2008
(Continued)

(8) Accrued Expenses

An analysis of accrued expenses at June 30, 2009 and 2008 follows:

	2009	2008
Accrued salaries and wages	\$ —	\$ 15,116
Accrued leave payable	11,481	9,097
Accrued payroll taxes	13,318	17,971
	<u>\$ 24,799</u>	<u>\$ 42,184</u>

(9) Contractual Revenue – Grants

During the years ended June 30, 2009 and 2008, CSP received contractual revenue from federal and state grants in the amount of \$2,461,863 and \$1,618,806, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(10) Development fees

These balances represent fees received on the apartment complexes for which CSP serves as the Managing General Partner.

(11) Leases

The agency leases certain buildings and equipment under operating leases. The rental costs on these items for the years ended June 30, 2009 and 2008 were \$76,536 and \$69,331, respectively. Commitments under lease agreements having initial or remaining non-cancellable terms in excess of one year are as follows:

<u>For the Year Ending June 31,</u>	
2010	\$ 66,576
2011	<u>44,384</u>
Total minimum future rentals	<u>\$ 110,960</u>

(12) Pension Plan

CSP has a defined contribution pension plan in which employees meeting certain criteria are eligible to participate in the plan. CSP's employer's contribution on behalf of the participant is 4% of the participant's compensation. The amount contributed by CSP during the years ended June 30, 2009 and 2008 was approximately \$23,558 and \$30,567, respectively.

(13) Partnership Investments

CSP has entered into limited partnerships as a General Partner for various Louisiana Partnerships in Commendam. The partnerships are organized and operated for the construction, ownership and management of apartment complexes in Louisiana. The complexes are operated under the HOME Affordable Rental Housing Program through regulatory agreements with the Louisiana Housing Finance Agency. CSP entered into Management Sub-Contracts, in which they will co-manage the Partnerships. CSP's ownership percentage of each partnership is .05%.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2009 and 2008
(Continued)

(14) Long-term Debt

Long-term debt at June 30, 2009 and 2008, consisted of the following:

	<u>2009</u>	<u>2008</u>
Mortgage payable to a bank, interest rate 8.5%, payable in 119 monthly installments of \$1,238.34, including interest, with one final payment for the balance due February 20, 2009, secured by a collateral mortgage note	\$ -	\$ 7,976
Less current installments	(-)	(7,976)
Long-term portion	<u>\$ -</u>	<u>\$ -</u>

For the years ended June 30, 2009 and 2008, the Agency incurred interest expense of \$225 and \$1,358, respectively.

(15) Designated Assets

The designated net assets at June 30, 2009 and 2008 consisted of the following:

	<u>2009</u>	<u>2008</u>
Hearthstone Program:		
Proceeds from sale of homes – to be reinvested in future homes	\$ 96,914	\$ 96,914
Proceeds from sale of homes – to be used in renovations of HUD facilities	100,000	100,000
Section 8 Housing	70,255	70,255
	<u>\$ 267,169</u>	<u>\$ 267,169</u>

(16) Subsequent Events

Subsequent events have been evaluated through January 14, 2010, the date the financial statements were available to be issued.

In January 2009 CSP entered into a \$150,000 multiple-indebtedness mortgage, with interest at 2.0% above Wall Street prime rate, interest payable monthly, principal due in full on January 28, 2010. This mortgage is to assist with the Crossroads II housing construction. No funds were drawn down until August 2009.

Community Support Programs, Inc.
Combining Schedule of Activities
For the Year Ended June 30, 2009

	Portals	Project Reach	Case Management	Emergency Shelter Grants	Housing Development	FEMA	Section 8 Housing
Revenues and Other Support:							
Contractual revenue-grants	\$ 226,527	\$ 291,538	\$ 110,261	\$ 28,226	\$ 72,677	\$ 6,040	\$ 235,842
Client fees		10,659					
Donations	3,684						
Management fees			868				1,108
Miscellaneous revenues		1,216					
Total revenues and other support	230,211	303,413	111,129	28,226	72,677	6,040	236,950
Expenses and losses:							
Salaries and wages	113,159	205,722	76,153		34,242	5,416	3,383
Payroll taxes and benefits	15,385	32,581	12,272		4,480	624	452
Travel	12,150	2,109	10,251		3,729		52
Operating services	57,230	21,204	12,358	15,441	25,951		2,855
Supplies	5,914	7,610	1,199	3,347	2,758		
Professional fees	13,635	15,185	5,344		25,988		5,755
Housing assistance payments							224,393
Equipment	941	3,311	227	1,721			65
Utilities	7,873	12,101	2,406	8,011			
Interest							
Depreciation	1,088	10,063	52				
Miscellaneous	5,577	3,590	1,077	826	11,612		15
Total expenses and losses	232,952	313,476	121,339	29,346	108,760	6,040	236,950
Change in net assets	(2,741)	(10,063)	(10,210)	(1,120)	(36,083)		
Net assets, beginning of year, restated	(9,203)	148,502	3,856	(9,928)	(38,705)		70,256
Net assets, end of year	\$ (11,944)	\$ 138,439	\$ (6,354)	\$ (11,048)	\$ (74,788)	\$	\$ 70,256

(Continued)

Community Support Programs, Inc.
Combining Schedule of Activities
For the Year Ended June 30, 2008
(Continued)

	Hearthstone	Crossroads II Housing	Bridges	Transportation	General Administration	Total
Revenues and Other Support:						
Contractual revenue-grants		\$ 1,124,021	\$ 259,035	\$ 96,984	\$ 10,712	\$ 2,461,863
Client fees		7,953				18,612
Donations			2,695		1,050	7,429
Management fees					41,558	41,558
Miscellaneous revenues	132	417			8,161	11,902
Total revenues and other support	132	1,132,391	261,730	96,984	61,481	2,541,384
Expenses and losses:						
Salaries and wages		24,561	162,537	49,393	29,398	704,044
Payroll taxes and benefits		3,202	25,764	8,328	7,801	108,887
Travel		35	1,740	466	222	30,754
Operating services		1,775	20,391	14,551	4,768	176,524
Supplies		22	8,024	19,485	5,457	53,616
Professional fees		14,241	18,706	3,232	13,868	116,054
Housing assistance payments						224,393
Equipment		136	1,644	84	189	8,318
Utilities		2,005	7,385	2,125	1,184	43,690
Interest					9,884	9,884
Depreciation		10,380	8,523	10,717	6,250	47,073
Miscellaneous		2,694	6,391	1,378	23,713	56,874
Total expenses and losses		59,751	261,105	107,758	102,834	1,580,311
Change in net assets	132	1,072,640	625	(10,774)	(41,353)	981,053
Net assets, beginning of year, restated	210,898	15,258	50,219	31,486	47,771	520,410
Net assets, end of year	\$ 211,030	\$ 1,087,898	\$ 50,844	\$ 20,712	\$ 6,418	\$ 1,481,463

Community Support Programs, Inc.
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Project Number	Grant Period	Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Supportive Housing Program - Transitional Housing	14.235	LA48B602005	2/07 - 1/08	\$ 26,841
Supportive Housing Program - Project Reach	14.235	LA48B602008 & LA48B702006	1/08 - 12/08 & 1/09 - 12/09	303,413
Supportive Housing Program - Bridges	14.235	LA48B602012 & LA48B702012	4/07 - 3/08 & 4/08 - 03/09	252,582
Supportive Housing Program - Crossroads II	14.235	LA48B102008	4/09 - 3/10	240,328
Section 8 Housing Choice Vouchers	14.871	LA888VO	N/A	236,950
Passed through the City of Shreveport:				
Emergency Shelter Grants Program				
Round XXXXI - Bridges	14.231	N/A	1/08 - 12/08	1,775
Round XXXXI - Reach	14.231	N/A	1/08 - 12/08	1,018
Round XXXXII - Bridges	14.231	N/A	1/08 - 12/08	2,375
Round XXXXII - Reach	14.231	N/A	1/08 - 12/08	2,485
Round XXXXIII - Bridges	14.231	N/A	1/08 - 12/09	8,275
Round XXXXIII - Reach	14.231	N/A	1/09 - 12/09	2,443
Round XXXXIX - Bridges	14.231	N/A	1/09 - 12/09	3,521
Round XXXXIX - Reach	14.231	N/A	1/09 - 12/09	7,000
Supportive Housing Program - Crossroads II - CHDO Operating	14.239	N/A		22,677
Supportive Housing Program - Crossroads II - Construction	14.239	N/A		400,000
Passed through Louisiana Housing Finance Agency				
Supportive Housing Program - Crossroads II - Construction	14.239	N/A	7/08 - 6/09	483,693
Supportive Housing Program - Crossroads II - CHDO Operating	14.239	N/A	7/08 - 6/09	50,000
<u>U.S. Department of Health and Human Services</u>				
Passed through the State of Louisiana, Department of Social Services, Office of Community Services:				
Portals	93.556	666920	9/08 - 8/11	226,527
<u>U.S. Department of Health and Human Services</u>				
Passed through the State of Louisiana, Department of Health and Hospitals				
Social Services Block Grant - Transportation	93.667	N/A	7/08 - 6/09	96,984
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter	97.024	N/A	N/A	5,645
Total Federal Expenditures				<u>\$ 2,374,532</u>

NOTE: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards

To the Board of Directors
Community Support Programs, Inc.
Shreveport, Louisiana

We have audited the financial statements of Community Support Programs, Inc. (a nonprofit organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated January 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Support Programs, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Support Programs, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Community Support Programs, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Community Support Programs, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Community Support Programs, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by Community Support Programs, Inc.'s internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2009-B1, 2009-B2, 2009-B3, and 2009-B4 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Community Support Programs, Inc.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider Item 2009-B1 to be a material weakness.

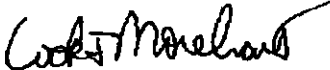
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Support Programs, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Community Support Programs, Inc. in a separate letter dated January 14, 2010.

Community Support Programs, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit their response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
January 14, 2010

COOK & MOREHART

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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance In Accordance With OMB Circular A-133

To the Board of Directors
Community Support Programs, Inc.
Shreveport, Louisiana

Compliance

We have audited the compliance of Community Support Programs, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Community Support Programs, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Community Support Programs, Inc.'s management. Our responsibility is to express an opinion on Community Support Programs, Inc.'s compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on test basis, evidence about Community Support Programs, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Community Support Programs, Inc.'s compliance with those requirements.

As described in items 2009-C1, 2009-C2, and 2009-C3 in the accompanying schedule of findings and questioned costs, Community Support Programs, Inc. did not comply with requirements regarding procurement, Davis Bacon, and reporting that are applicable to its Crossroads II program, CFDA #14.235 and 14.239. Compliance with such requirements is necessary, in our opinion, for Community Support Programs, Inc. to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Community Support Programs, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Community Support Programs, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to

federal programs. In planning and performing our audit, we considered Community Support Programs, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Community Support Programs, Inc.'s internal control over compliance.

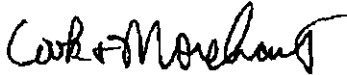
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Community Support Programs Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit their response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, other within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
January 14, 2010

Community Support Programs, Inc.
Summary Schedule of Prior Audit Findings
June 30, 2009

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

2008-C1 Supportive Housing Program – Project Reach, Transitions, Bridges – CFDA # 14.235; Portals Program – CFDA # 93.556

SIGNIFICANT DEFICIENCY

Statement of Condition: Bank reconciliations were not accurately prepared, reviewed or approved by a responsible individual during the year.

Recommendation: We recommend that bank reconciliations be prepared accurately and should be reviewed and approved by a responsible individual on a monthly basis.

Current Status: See significant deficiency noted in current year audit.

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

2008-C2 Supportive Housing Program – Project Reach, Transitions, Bridges, – CFDA # 14.235; Portals Program – CFDA # 93.556

SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit, we noted there were numerous posting errors in the agency's general ledger. Significant adjusting journal entries had to be proposed to correct the account balances.

Recommendation: We recommend that the agency's general ledger be reviewed / reconciled on a periodic basis.

Current Status: Improvement noted.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

2008-C3 Supportive Housing Program – Transitions – CFDA # 14.235

SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit, we noted that the agency incurred a deficit in the Transitions program of approximately \$24,500. There was approximately \$26,700 of funds remaining in this contract at the end of the grant period of January 31, 2008 which had not been requested.

Recommendation: We recommend that the agency implement procedures to ensure a monitoring of all grant revenues and expenditures on an on-going basis, and that a final review be performed at the end of each grant period.

Current Status: Improvement noted. Agency received remaining funds in contract in May 2009.

Community Support Programs, Inc.
Schedule of Findings and Questioned Costs
June 30, 2009

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Community Support Programs, Inc.
2. Four significant deficiencies are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Of these deficiencies, item 2009-B1 is reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Community Support Programs, Inc. were disclosed during the audit.
4. No significant deficiencies are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Community Support Programs, Inc. expresses a qualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs were: Project Reach, Transitions, Bridges, and Crossroads II CFDA #14.235; and Crossroads II, CFDA #14.239.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Community Support Programs, Inc. did not qualify as a low-risk auditee.

B. Findings – Financial Statements Audit:

2009-B1 - MATERIAL WEAKNESS

Statement of Condition: As of June 30, 2009, the agency had an operating net asset (deficit) of (\$213,108). The deficit for the prior year ended June 30, 2008 was (\$268,868).

Cause: The operating net asset (deficit) is the result of the agency's operations not being properly budgeted within the existing programs being administered by the agency.

Recommendation: We recommend that the agency employ better budgeting practices to eliminate deficit spending in the future and that management and the Board of Directors meet on a periodic basis to monitor the agency's financial position and to formulate financial plans to eliminate the deficits.

Management Response: The agency has implemented the following practices: financial reports will be issued on a monthly basis to the Division Director, the Deputy Director and Chief Executive Officer to monitor the agency's financial position and ensure programs are fiscally stable. One program that was not financially stable was terminated. In addition, the Chief Executive Officer will recommend to the Board of Directors that a Finance Committee be established to monitor the agency's finances on a quarterly basis. To mitigate the prior year deficit, the agency received the following funds from the funders: Transitions final billing: \$26,841; Antares: \$28,175; LHFA: \$26,812; reimbursable expenses from the

(Continued)

Community Support Programs, Inc.
Schedule of Findings and Questioned Costs
June 30, 2009
(Continued)

Crossroads II development dating back to 2004 will be approximately \$200,000. This will terminate the Hearthstone project and will allow the agency to pay down the line of credit significantly. These funds will be utilized to reduce the current deficit. A request has been made to HUD that the agency be allowed to either sell or demolish the two real estate properties used by the Transitions program. The agency has not received a response from HUD regarding the Transitions properties. In the former case, the agency may realize some revenue; in the latter, the agency will not bear the insurance expense of vacant properties.

2009-B2 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit, we noted that bank reconciliations were not accurately prepared, reviewed or approved by a responsible individual during the year.

Cause: The agency did not have proper monitoring procedures in place during the year to ensure that bank reconciliations were prepared timely and accurately and appropriately reviewed.

Effect: Without accurate and timely reconciliations, errors and / or irregularities may occur and not be detected.

Recommendation: We recommend that bank reconciliations be prepared accurately and should be reviewed and approved by a responsible individual on a monthly basis.

Management Response: Management has contracted with an experienced accountant to accurately prepare and review the bank reconciliations. After accountant has completed the bank reconciliations, the Chief Executive Officer and the management staff will review them for accuracy and to detect errors and/or irregularities.

2009-B3 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit testing, we noted that the agency has not timely filed its Form 5500 return for its 403(b) retirement plan, as required by the Internal Revenue Service, for the year ended June 30, 2008.

Criteria: The Internal Revenue Service required filings of Form 5500 on an annual basis.

Cause: Communication between the agency and the third-party plan administrator was not adequate to ensure timely filings.

Effect: Failure to file Form 5500 timely could result in substantial penalties and disqualification of the plan.

Recommendation: We recommend that the agency file all required Form 5500 returns.

Management Response: The agency has engaged a professional to complete and file all Forms 5500. In addition, the agency will develop a calendar to ensure timely filing in the future. Further, since the agency has fewer employees, we are investigating alternative pension and retirement plans.

(Continued)

Community Support Programs, Inc.
Schedule of Findings and Questioned Costs
June 30, 2009
(Continued)

2009-B4 - SIGNIFICANT DEFICIENCY

Deficiency: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare their annual financial statements. This condition is intentional by management based upon the Agency's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Management Response: The agency agrees with the auditor's recommendation that it is not cost effective or practical to cure this deficiency.

C. Findings and Questioned Costs – Major Federal Award Programs Audit:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

2009-C1 Supportive Housing Program – Crossroads II – CFDA # 14.235; Home Investment Partnership Program – Crossroads II – CFDA # 14.239

FINDING

Statement of Condition: The agency did not comply with procurement regulations for its Crossroads II construction project. The agency did not document whether appropriate cost or price analysis was performed for the project.

Criteria: OMB Circular A-133 Compliance Supplement requires cost or price analysis be conducted and documented in connection with each procurement action.

Cause: The Crossroads II project was delayed numerous times. The agency believes that pricing analysis was performed initially, but that documentation was not retained or could not be located.

Effect: The agency is not in compliance with HUD regulations for the Crossroads II project, which require compliance with procurement regulations.

Recommendation: We recommend that the agency comply with all program regulations and retain documentation evidencing its compliance on all future projects.

(Continued)

Community Support Programs, Inc.
Schedule of Findings and Questioned Costs
June 30, 2009
(Continued)

Management Response: The Crossroads II project was initially bid six years ago concurrent with the 811 project. There were all indications that the project would occur in a timely manner. Therefore, new bids were not solicited because expectations that the project would get underway quickly. In the future, projects will be bid prior to construction.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

2009-C2 Home Investment Partnership Program – Crossroads II – CFDA # 14.239

FINDING

Statement of Condition: The agency did not fully comply with requirements concerning Davis Bacon for its Crossroads II construction project. While the agency did include the requirement in their construction contract, they did not require the contractor or subcontractors to submit weekly certified payrolls verifying their compliance with this requirement.

Criteria: OMB Circular A-133 Compliance Supplement requires contractors or subcontractors to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls), as per 29 CFR sections 5.5 and 5.6.

Cause: The agency was unaware of the additional requirement of submitting weekly certified payrolls.

Effect: The agency is not in compliance with HUD regulations for the Crossroads II project, which require compliance with Davis Bacon regulations.

Recommendation: We recommend that the agency comply with all program regulations on future projects.

Management Response: The contractor did send the compliance documents to HUD weekly. The agency was not given a copy. In the future, agency will comply with all program regulations on all future projects.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

2009-C3 Supportive Housing Program – Crossroads II – CFDA # 14.235; Home Investment Partnership Program – Crossroads II – CFDA # 14.239

FINDING

Statement of Condition: The agency did not submit HUD Form 60002 in regards to the Crossroads II Construction project, as required by program regulations.

Criteria: 24 CFR sections 135(a) and 135.90 requires the submission of HUD Form 60002 for housing construction grants over \$200,000.

Cause: The agency's contractor did submit HUD Form 60002 for its subcontractors; however, the agency was not aware that they also needed to submit the form for the entire project.

Effect: The agency is not in compliance with HUD regulations over reporting.

(Continued)

Community Support Programs, Inc.
Schedule of Findings and Questioned Costs
June 30, 2009
(Continued)

Recommendation: We recommend that the agency contact its funding source regarding submission of the required report as soon as possible.

Management Response: The agency will contact its funding source regarding the submission of the required report as soon as possible.

Community Support Programs, Inc.
Summary Schedule of Audit Findings for the Louisiana Legislative Auditor
June 30, 2009

Summary Schedule of Prior Audit Findings

Prior audit findings relative to federal awards are addressed in the accompanying Summary Schedule of Prior Audit Findings. Prior audit findings relative to the financial statements (Yellow Book findings) are addressed below.

2008-B1 - MATERIAL WEAKNESS

Statement of Condition: As of June 30, 2008, the agency had an operating net asset (deficit) of (\$295,709). The deficit for the prior year ended June 30, 2007 was (\$226,352).

Current Status: See repeat comment in current year audit.

2008-B2 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit, we noted that bank reconciliations were not accurately prepared, reviewed or approved by a responsible individual during the year.

Current Status: See repeat comment in current year audit.

2008-B3 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our disbursement testing, we noted several instances where payments were made for credit card charges without having the detailed supporting documents to support the amounts paid. Payments were made based upon statements received from the vendors.

Current Status: Improvement noted.

2008-B4 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit, we noted there were numerous posting errors in the agency's general ledger. Significant adjusting journal entries had to be proposed to correct the account balances.

Current Status: Improvement noted.

2008-B5 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit testing, we noted that the agency has not timely filed its Form 5500 return for its 403(b) retirement plan, as required by the Internal Revenue Service, for at least the past three years.

Current Status: See repeat comment in current year audit. The agency is working with a CPA firm to prepare and file all returns due.

2008-B6 - FINDING

Statement of Condition: Community Support Programs, Inc. did not submit its audit report for the year ended June 30, 2008, within six months of its year end as required by state law.

Current Status: Current year audit was submitted timely.

(Continued)

Community Support Programs, Inc.
Summary Schedule of Audit Findings for the Louisiana Legislative Auditor
June 30, 2009
(Continued)

2008-B7 - SIGNIFICANT DEFICIENCY

Deficiency: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare their annual financial statements. This condition is intentional by management based upon the Agency's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Current Status: See repeat comment in current year audit.

Current status of prior year management letter comments are as follows:

Comment #1: Voided Checks

Improvement noted.

Comment #2: Cost Allocation Plan

See repeat comment in current year audit.

Comment #3: Section 8 Housing Reports

Improvement noted.

Corrective Action Plan for Current Year Audit Findings

Findings for the current year audit for the year ended June 30, 2009 are noted in the accompanying schedule of findings and questioned costs. There is one management letter comment for the current year audit period ended June 30, 2009. Management's response to that comment is as follows:

Cost Allocation Plan

A time study has been completed and updated at least annually to substantiate the salary component of the cost allocation being used. The time study has been completed for both 2008/09 and is revised yearly or if funds are lost or gained. The agency cost allocation plan will be reviewed and revised to reflect fluctuation in personnel and funding. The allocation table will also mirror the general ledger. Management staff will schedule a meeting with a trained professional regarding the appropriate development of allocation tables.

COOK & MOREHART

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Management Letter

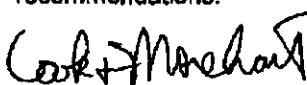
January 14, 2010

Board of Directors
Community Support Programs, Inc.
Shreveport, Louisiana

In planning and performing our audit of the financial statements of Community Support Programs, Inc., as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

However, during our audit, we became aware of a certain matter which presents an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding that matter. This letter does not affect our report dated January 14, 2010, on the financial statements of Community Support Programs, Inc..

We will review the status of this comment during our next audit engagement. We have already discussed the comment and suggestions with agency personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.



Cook & Morehart
Certified Public Accountants

Management Letter Point

COST ALLOCATION PLAN

During our audit, we noted that the agency implemented procedures with regards to periodic time studies to assist in allocating its costs. Allocations were not always in agreement with supporting documents.

We recommend that the agency continue to update its cost allocation plan on a periodic basis, at least annually or as program components change, and to implement procedures to ensure that the plan is followed consistently.